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Research Report

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SWP Comment

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Early Contours of Philippine Foreign Policy under Ferdinand Marcos Jr.

Like father, like son

Felix Heiduk and Tom Wilms

Ferdinand “Bongbong” Marcos Jr. won the Philippines’ presidential election by a landslide on 9 May and was officially sworn in on 30 June. During the election campaign, Marcos Jr. – the son of Philippine dictator Ferdinand Marcos Sr. who was ousted in 1986 – remained extremely vague when it came to describing his foreign and security policies. Some observers initially speculated that Marcos Jr. would continue to pursue the foreign policy shift towards the People’s Republic of China that had been established by his predecessor Rodrigo Duterte. Several weeks into Marcos Jr.’s presidency, however, a much more nuanced picture has emerged. It appears that the newly elected president is likely seeking to balance the Philippines’ relations with China and the US to a greater extent than his predecessor. He therefore seems to be following in his father’s foreign policy footsteps. This could open up new opportunities for cooperation between the Philippines and Germany and the EU – provided that such collaboration considers the high degree to which Manila’s current foreign policy agenda seems to be driven by domestic concerns and objectives.

In Southeast Asia, any changes in Philippine foreign policy are closely monitored as the country is situated at the centre of the Chinese-American rivalry for dominance in the Indo-Pacific region. It occupies this unique position for a number of reasons. First off, Manila would very likely be directly involved if armed conflict were ever to emerge between Beijing and Washington, as it has been in a defensive alliance with the US since 1951. In addition, the US values certain military bases in the Philippines as strategically important in counterbalancing China. Second, the archipelagic

state is strategically important due to its geographical location as part of the “first island chain” and its proximity to Taiwan. Third, disputes between China and the Philippines over territorial claims in the South China Sea could bring the US onto the scene as Manila’s ally if the disputes were to escalate. Indeed, as recently as August 2022, US Secretary of State Antony Blinken stated during his visit to Manila that any armed attack on Philippine forces, ships or aircraft would invoke US mutual defence commitments as part of the bilateral defence agreement.



Despite this seemingly close military alliance between the US and the Philippines, former President Rodrigo Duterte's term in office was marked by open criticism and harsh rhetoric towards the US. Although ups and downs have been observable in the relationship between Manila and Washington over the past decades, their cooperation in foreign and security policy has been considered a constant. Even across different governments, Manila's ties with the US have been seen as an indispensable cornerstone of Philippine foreign and security policy over the past two decades. Duterte, however, aggressively questioned the future of the alliance and demonstratively sought to pivot to China early in his term.

The Philippines' relations with the EU were also brought to a new low under Marcos' predecessor. Duterte brusquely rejected Brussels' criticism of his administration's massive human rights violations in the context of the "war on drugs", declaring them as Western interference in the Philippines' internal affairs. He also threatened to expel European diplomats and terminate all cooperative projects with the EU. Not surprisingly, the implementation of the Partnership and Cooperation Agreement between Manila and Brussels has been on hold since then.

Duterte's far-reaching renunciation of Western partners was motivated not only by his personal anti-Americanism, but also by domestic politics, first and foremost, the country's ailing infrastructure that was to be modernised through significant Chinese investment. Together with China, the Duterte government also wanted to exploit oil and gas deposits in the South China Sea to boost the Philippine economy. The territorial disputes between the Philippines and China in the South China Sea were to be swept under the rug by Manila in exchange for closer economic ties with Beijing. In the end, however, China's huge investments in Philippine infrastructure did not materialise and neither did its proposed cooperation in exploiting the South China Sea's hydrocarbons. What's more, Beijing actually intensified its assertive and threatening

behaviour in waters claimed by the Philippines in recent years. Since the end of 2020, Duterte's "pivot to China" has therefore widely been considered a failure.

A return to a clear commitment to the alliance with the US under Marcos Jr. would thus be something of a return to normality in Philippine foreign relations. Some indications of a foreign policy course correction under the new administration can already be observed in important cabinet appointments. For example, Vice President Sara Duterte, daughter of former President Rodrigo Duterte, was not granted the highly influential post of Secretary of National Defense, which she coveted, and was instead appointed as Secretary of Education. The new president granted the Secretary of National Defense position to retired General Jose Faustino Jr., a representative of the Philippine military, which is generally considered to be pro-American. This was widely interpreted as a crucial decision seeing that Sara Duterte's appointment to the Department of National Defense might have disgruntled both Washington and Philippine security circles, not only due to her father's favourable stance towards China but also her overall lack of experience in military affairs.

In another indication of a shift, Marcos Jr. became the first president in almost twenty years to appoint an experienced career diplomat to the post of foreign minister. It was assumed by Enrique Manalo, who most recently, as the Philippine Ambassador to the United Nations, was — together with Myanmar's Ambassador to the UN — the only Southeast Asian representative to support all resolutions condemning the Russian invasion of Ukraine. In the past, Manalo served not only as the Philippine Ambassador to Belgium and the United Kingdom, but also as the Head of the Philippine Mission to the EU. While cabinet posts under Duterte were mainly filled with political outsiders, former companions and followers, Manalo's appointment follows the example of former President Marcos Sr., who primarily appointed personnel with designated experience to his cabinet.

Relations with China and the US

While Duterte boasted that he had not visited a single Western country during his entire term in office, Marcos Jr., who, among other things, studied in the US and UK, does not have such a decidedly negative outlook on the West.

In fact, during his election campaign, he stressed the importance and mutual benefit of close relations with the US. Unlike his predecessor, Marcos Jr. openly stated his support for the Philippines' mutual defence treaty with the US.

The desire to return to normality in bilateral relations also exists on the other side of the Pacific, as was expressed by US President Joe Biden, who was the first foreign head of state to congratulate his newly elected counterpart. During this phone call, that happened even before the final announcement of the election results, Biden spoke in favour of strengthening the bilateral partnership. With his election as president, Marcos Jr. was automatically granted diplomatic immunity in the US, an indispensable prerequisite for the normalisation of relations considering that he and his mother Imelda were slapped with heavy fines by a US civil court in 1995 for refusing to pay court ordered restitutions to victims of human rights abuses that occurred during the Marcos Sr. dictatorship. Without this immunity, he could have been legally prosecuted upon entering the US.

Even if Marcos Jr.'s election and his subsequent actions seem to bode well for a fruitful partnership with the US and the West as a whole, the course correction in Manila is by no means tantamount to Manila abandoning its relations with China. On the contrary, after his election victory, Marcos Jr. had a long telephone conversation with Chinese President Xi Jinping in which both sides agreed to "shift [their bilateral relations] to a higher gear".

Such statements are hardly surprising as the Philippine president has extensive contacts in China. Under Marcos Jr.'s father, in 1975, the Philippines established official diplomatic relations with the People's

Republic of China for the first time; subsequently, the Marcos family profited enormously from China's economic rise and it still benefits from close ties with Beijing. For example, the capital city of the home province of the Marcos family, Laoag City in Ilocos Norte, hosts one of only three Chinese consulates in the whole of the Philippines, even though the city only houses 110,000 inhabitants.

Still, Marcos Jr. may see the risks and warning signs of cosyng up to Beijing when observing the Duterte era, by the end of which Manila ended up (almost) empty-handed despite its severe ingratiation with and numerous concessions to China, especially with regard to the conflict in the South China Sea. In fact, as early as July, Marcos Jr. instructed his Department of Transportation to renegotiate several Chinese loans for major railway projects totalling US\$4.9 billion. Agreed upon under the previous government as part of China's Belt and Road Initiative, these projects fell far short of meeting expectations according to Marcos Jr. In demanding the renegotiation of the loans, he has sent a clear signal that, unlike Duterte, he will not be satisfied with promises that don't match results.

Ultimately, it can be assessed that Marcos Jr. will most likely neither openly pivot towards China nor abandon it. Instead, the new president has already indicated his preference for an independent foreign policy. Attempting to shun Cold War-style geopolitical thinking in terms of spheres of influence, he intends to maintain good relations with all sides.

In this respect, his approach exhibits clear parallels to the foreign policy of his father, who also placed great emphasis on an independent foreign policy that maintained close relations with the Soviet Union and China on the one hand and the US on the other. The guiding idea behind this approach was and is to use the competing geopolitical and geo-economic interests of the major powers to the Philippines' advantage, thereby securing maximum room for manoeuvre. Currently, the Philippine government aims to capitalise on US secu-

rity interests in the region and its military alliance with Washington by obtaining state-of-the-art military equipment from the US in order to increase its own defence capability and deterrence potential.

At the same time, Manila aims to maintain its economic cooperation with China as an investor in Philippine domestic infrastructure. Overall, the Marcos Jr. administration seems to be leveraging the Philippines' important strategic position in Southeast Asia, its proximity and claims to the South China Sea and its alliance with the US and membership in the Association of Southeast Asian Nations (ASEAN) to further its own foreign policy agenda.

The South China Sea as a central challenge

Using the China-US rivalry in Southeast Asia to its advantage, however, will not likely be an easy undertaking for Manila. The intensification of the Chinese-American competition and the resulting polarisation between the two, especially against the backdrop of the war in Ukraine and the recent tensions over Taiwan, could turn this undertaking into a high-stakes balancing act, the likes of which would largely play out over the South China Sea. After all, Manila is no mere onlooker, but China's main adversary in the South China Sea along with Vietnam. And due to the increasing militarisation of the Sea, the potential for escalation is increasing.

Flip flopping with respect to issues related to the South China Sea might not be an option for Marcos Jr. While Rodrigo Duterte had still declared wholeheartedly during his 2016 election campaign that he would ride a jet ski to the disputed islands, raise the Philippine flag and challenge the Chinese leadership to a duel, his rhetoric on the matter changed completely after taking office. He described the 2016 ruling of the Permanent Court of Arbitration in the Hague which rejected Beijing's historical territorial claims as unfounded, as a worthless piece of paper and instead

stressed that an escalation of the conflict with China must be avoided at all costs.

Marcos Jr. initially toed a similar line during the early phase of his election campaign. When questioned about the real-politik value of the arbitral win, he emphasised the need to rule out any violent solution to the conflict. Following the election, however, he changed his tune. Marcos Jr. stressed the importance of the ruling for the Philippines' claims in the South China Sea and announced that he would not concede a millimetre of Philippine territory. Foreign Minister Manalo has also stressed the general relevance of international law, especially the United Nations Convention on the Law of the Sea (UNCLOS), with respect to Manila's policy in the South China Sea.

Domestically, any concessions to China in the South China Sea would be a hard sell. Despite Duterte's rapprochement with Beijing, China continued to militarise the Sea and to commit acts of violence and harassment against Filipino fishermen and seafarers in Philippine waters by way of the Chinese coast guard and Chinese fishing boat crews that operate as de facto militias. According to surveys, large segments of the Philippine population are increasingly calling for a crackdown on the Chinese presence in waters claimed by the Philippines. The incidents are thus fuelling an already existing China-critical mood in Philippine society. The Philippines' influential military also viewed Duterte's rapprochement with China with extreme scepticism and still sees the US and its allies in the region, such as Japan and Australia, as the island nation's preferred security partners.

Already observable during Duterte's final months in office, domestic pressure on Marcos Jr. — in terms of public opinion, as well as from the security establishment — to not only refrain from caving in to but also to pursue a tougher approach towards China won't likely give way anytime soon. The renegotiation of the railway loans can thus certainly also be interpreted as a signal to his domestic constituents that he is willing to be tough on Beijing.

Marcos Jr.'s proclamations during the State of the Nation Address are also quite telling. Here, he repeatedly referred to the sacrosanctity and preservation of both territorial integrity and national sovereignty and announced further modernisation of the country's armed forces.

The primacy of domestic affairs

As he veers away from a distinctly pro-Chinese foreign policy, it is already becoming apparent that Marcos Jr. will pursue a more delicate balancing act between the US and China than his predecessor. Opting for a more independent foreign policy, the Philippines is open to exploring possibilities for cooperation with the US, China and other regional actors. However, at least one continuity with the Duterte era is apparent: the country's foreign policy will likely follow domestic political pressures, even under the new president. The Marcos administration's political agenda is clearly focused on economic reconstruction, especially in the wake of the pandemic. Economic performance is *the* parameter by which the population will measure the success or failure of Marcos Jr.'s presidency.

In this context, it is likely that Marcos Jr. will seek to further rehabilitate his family name as the heralds of prosperity. The glorification of his father's rule as a golden era of economic progress was already one of the main motifs of his election campaign. Marcos Jr. has already announced that he will continue the massive infrastructure and connectivity programme begun under Duterte, "Build! Build! Build!", under the new slogan "Build Better More!". In this context, close economic cooperation with China, which is involved in many of the projects already underway, is inevitable in principle, even though parallel efforts will be made to diversify trading partners and investors in order to avoid creating too deep of a dependence on Beijing. Thus, it can be assumed that Manila will increasingly approach both regional actors such as the Asian Development Bank, Japan, Australia

or ASEAN countries as well as external actors such as the US or even the EU and its member states in order to attract other investments to the country.

After more than two months in office, there are many indications that Marcos Jr. will retain some aspects of Duterte's foreign policy, but the change in policy towards China alone means that it is unlikely to be a Duterte 2.0 government. Instead, it seems increasingly likely that Marcos Jr. will follow in his father's foreign policy footsteps as he strives to secure the greatest possible independence and broad scope for action for his country in order to profit from the geopolitical situation. This should open up far more possibilities for external actors – including Germany and the EU – to cooperate with Manila than were present under Duterte.

This applies to a number of areas. First, implementation of the Philippine-EU Partnership and Cooperation Agreement could be envisaged. The Agreement covers a wide range of policy areas such as trade, good governance, migration and human rights. Secondly, there may be opportunities to revitalise the negotiations of a free trade agreement between the EU and the Philippines that started in 2015. Third, more cooperation is conceivable in relation to the conflict in the South China Sea. With regard to this issue area, significant similarities between Brussels and Manila are already becoming apparent under the new Marcos administration. Here, the EU should explore whether and in what form it can support the island state in expanding its capacities in the area of maritime domain awareness, in anti-piracy operations or even at the legal level in terms of enforcing its claims under international maritime law (especially under UNCLOS).

Fourth, as home to one of the world's largest nickel deposits, the Philippines could be an attractive raw material partner for the EU. Nickel is an important component in the use of so-called green hydrogen in the context of the energy transition. Such a partnership would be in line with the EU's goal of diversifying its nickel im-

ports, a dominant share of which currently comes from Russia. Fifth, an intensification of cooperation with ASEAN within the framework of the EU's Indo-Pacific Strategy should also be considered. ASEAN has been identified in this document as a key partner of the EU in the region. The Philippines is of particular importance in this context because of its role as "Country Coordinator" for the dialogue between ASEAN and the EU for the 2021 – 2024 period. It could prove helpful here that the new Philippine foreign minister is deeply familiar with the EU and Europe – as already mentioned, he previously worked as the Philippine Ambassador to Brussels and the UK. Provided that German and European offers of cooperation consider the foreign policy agenda of Marcos Jr.'s administration, which is strongly shaped by domestic political objectives, an intensification of relations between the Philippines and the EU and its member states is appearing more and more realistic.

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